



## Land and Minerals Department

# Shoreland Leases On State Tax Forfeited Lands

## Information Guide

### Mission Statement

St. Louis County Land and Minerals Department's vision is to provide the optimum combination of benefits from tax forfeited lands through leadership and a commitment to a standard of excellence in the management of the Tax Forfeited Trust for the people of St. Louis County. The mission of the St. Louis County Land and Minerals Department is to promote, enhance, and protect St. Louis County Tax Forfeited Trust lands by providing professional expertise in the use of sound land management principles.

### Tax Forfeited Lands

The St. Louis County Land and Minerals Department manages approximately 900,000 acres of State tax forfeited land for the benefit of the citizens and taxing districts of the County.

### For More Information:

**St. Louis County Land and Minerals Dept.**  
Government Services Center  
320 West 2<sup>nd</sup> Street Rm 607  
Duluth, MN 55802-1495  
218-726-2659  
<http://www.stlouiscountymn.gov/>

**Minnesota State Legislature - HF2214**  
<http://www.leg.state.mn.us/leg/legis.aspx>

### What is a Shoreland Lease?

Since the 1950s St. Louis County has administered a shoreland leasing program on state tax forfeited lands. There are currently 278 leases on 27 lakes located on surveyed lots within unrecorded plats. New shoreland leases were last issued in the 1990s.

### What Action has the County Taken?

On November 1, 2011, the St. Louis County Board of Commissioners determined that the shoreland lease program no longer meets the criteria for which it was established, in that it does not reflect the true market values of the properties, nor does it provide the opportunity for all county citizens to equally participate in the program. The County Board authorized and directed the Land Commissioner to begin the process of obtaining a market value appraisal of all current shoreland lease properties, with the intention of offering these lots for sale into private ownership, and to pursue special legislation for approval to sell these riparian lands (County Board Resolution No. 11-559).

### What is the proposed Legislation?

House File 2214 authorizes St. Louis County to sell tax forfeited shoreland lots currently under lease, and sell adjacent lands for access and lot-size conformity. The leaseholder may purchase the lot and any allocated lands at a private sale. The purchase price is the appraised value of the land exclusive of improvements. To purchase a lot, a leaseholder must pay in cash within 180 days from the date of service of the notice of appraised value.

If the leaseholder does not purchase the lot, the county may offer the lands for sale at public auction. If a person other than the leaseholder purchases the parcel, the purchaser must make payment in full to the leaseholder for the value of any improvements.

The leaseholder may elect not to purchase the leased lot and instead continue in the annual lease program, not to exceed the lifetime of the leaseholder. The fee for the lease shall include the amount of the estimated property tax on the parcel.

The county shall select the appraiser. Improvements that are owned by the lessee must be appraised separately. The successful purchaser shall reimburse the county for the appraisal costs. If the leaseholder disagrees with the appraised value of improvements, he/she may select a qualified appraiser. If the county and leaseholder fail to agree on value, each of the appraisers shall agree upon a third appraiser to conduct a third, conclusive appraisal.

The county shall have each lot surveyed by a licensed surveyor. The successful purchaser shall reimburse the county for survey costs.

Whenever possible, St. Louis County may add land to the lots to permit conformance with zoning requirements.

### Proposed Legislation at a Glance:

- Leaseholder may purchase leased lot at a private sale;
- Purchase price is appraised value exclusive of improvements;
- Leaseholder shall pay in cash within 180 days of notice of appraisal;
- If leaseholder does not purchase the lot it may be offered for sale at public auction;
- Purchaser shall pay leaseholder for value of improvements;
- Leaseholder may elect to continue leasing for his/her lifetime;
- Purchaser shall reimburse county for appraisal and survey costs;
- County may add land to conform to zoning requirements.